IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

BONUTTI SKELETAL INNOVATIONS LLC, Plaintiff, v. ZIMMER HOLDINGS, INC. and ZIMMER, INC. Defendants.	§	C.A. No. 12-1107-GMS JURY TRIAL DEMANDED
BONUTTI SKELETAL INNOVATIONS LLC, Plaintiff, v. CONFORMIS, INC., Defendant.	§	C.A. No. 12-1109-GMS JURY TRIAL DEMANDED
BONUTTI SKELETAL INNOVATIONS LLC, Plaintiff, v. WRIGHT MEDICAL GROUP, INC. and WRIGHT MEDICAL TECHNOLOGY, INC. Defendants.	§	C.A. No. 12-1110-GMS JURY TRIAL DEMANDED

ORDER STAYING ACTIONS AND DETAILING SCOPE AND LIMITATIONS OF DEFENDANTS' ESTOPPEL

WHEREAS, between September 24 and September 26, 2013, Smith & Nephew, Inc. ("S&N") filed with the Patent Trial and Appeal Board ("PTAB") four petitions seeking, respectively, *inter partes* review ("IPR") (collectively, the "S&N IPRs" or "S&N IPR

Proceedings," or, individually, a "S&N IPR" or "S&N IPR Proceeding") of (a) claim 1 of U.S. Patent No. 6,702,821; (b) claim 23 of U.S. Patent No. 7,749,229; (c) claims 1 and 13 of U.S. Patent No. 7,806,896; and (d) claim 1 of U.S. Patent No. 8,133,229 (collectively, the "S&N IPR Claims" of the "IPR Patents," or, individually, a "S&N IPR Claim" of an "IPR Patent");[1]

WHEREAS, between November 22, 2013 and January 3, 2014, Defendants Zimmer Holdings, Inc. and Zimmer, Inc. (collectively, "Zimmer") filed with the PTAB three petitions seeking, respectively, IPR (collectively, the "Zimmer IPRs" or "Zimmer IPR Proceedings," or, individually, a "Zimmer IPR" or "Zimmer IPR Proceeding") of (a) claims 15-28 and 31-36 of U.S. Patent No. 7,837,736; (b) claims 1, 7, 8, 11, 12, 15, 16 and 30-39 of U.S. Patent No. 7,959,635; and (c) claims 40-47 of U.S. Patent No. 7,806,896 (collectively, the "Zimmer IPR Claims" of the "IPR Patents," or, individually, a "Zimmer IPR Claim" of an "IPR Patent"); and

WHEREAS, on January 8, 2014, the plaintiff in the above-captioned actions, Bonutti Skeletal Innovations LLC ("BSI"), filed Disclaimers in Patent Under 37 C.F.R. § 1.321(a) disclaiming claim 1 of U.S. Patent No. 6,702,821 and claim 1 of U.S. Patent No. 8,133,229 in the S&N IPR Proceedings relating to those patents;

WHEREAS, on January 15, 2014, Defendants Wright Medical Group, Inc., and Wright Medical Technology, Inc. (collectively "Wright Medical") filed with the PTAB a petition seeking IPR (the "Wright Medical IPR" or "Wright Medical IPR Proceeding") of claims 1, 13, 25, and 40 of U.S. Patent No. 7,806,896 (collectively, the "Wright Medical IPR Claims" of the "IPR Patents," or, individually, a "Wright Medical IPR Claim" of an "IPR Patent");

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[1] During the same period, S&N also filed IPR petitions on claims in U.S. Patent Nos. 7,087,073 and 5,980,559. Those patents, however, are not asserted in any of the above-captioned actions. Pursuant to a Joint Stipulation of Dismissal Without Prejudice (*Bonutti Skeletal Innovations LLC v. Smith & Nephew, Inc.*, Civil Action No. 12-1111 (GMS), D.I. 51), this Court, on January 7, 2014, dismissed the action involving S&N (*id.*, D.I. 52).

WHEREAS, on January 17, 2014, the PTAB issued in the S&N IPR Proceedings (a) a Judgment – Disclaimer of Claim entering judgment against BSI with respect to claim 1 of U.S. Patent No. 6,702,821; and (b) a Judgment – Disclaimer of Claim entering judgment against BSI with respect to claim 1 of U.S. Patent No. 8,133,229; and

WHEREAS, on January 22, 2014, the Defendants in the above-captioned actions, Zimmer, ConforMIS, Inc. ("ConforMIS"), and Wright Medical (collectively, the "Defendants," or, individually, a "Defendant") filed a Joint Motion to Stay Litigation Pending *Inter Partes* Review of the IPR Patents;

NOW, THEREFORE, it is hereby ORDERED that:

(1) Subject to the terms and conditions set forth herein, the above-captioned actions are hereby stayed pending the conclusion of the S&N IPRs, the Zimmer IPRs, the Wright Medical IPR (collectively, the "Knee Patent IPRs," or, individually, a "Knee Patent IPR"), and all appeals therefrom. Any party to an above-captioned action may move to reopen such action within sixty (60) days after the later of the issuance of: (a) the certificate issued pursuant to 35 U.S.C. § 318(b) with respect to the last of the Knee Patent IPRs applicable to the patent(s) at issue in such action, and (b) a final, non-appealable decision resolving the last of the Knee Patent IPRs applicable to the patent(s) at issue in such action.

(2) Should any S&N IPR Claim, Wright Medical IPR Claim, or Zimmer IPR Claim survive a Knee Patent IPR after a final, non-appealable judgment on the merits[2] of a Knee Patent

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[2] As used herein, the term "final, non-appealable judgment on the merits" excludes situations in which the IPR petition is withdrawn, terminated due to settlement (including, for example, on the basis of a "Judgment – Termination of the Proceeding"), or otherwise terminated in a manner that does not address the merits of the arguments made in support of the petition, such as, for example, as a result of BSI's disclaimer of one or more claims at issue in the petition (including, for example, on the basis of a "Judgment – Disclaimer of Claim"). As

IPR petition addressing such claim without being amended, narrowed, or substituted, and to the extent estoppel under 35 U.S.C. § 315(e)(2)[3] does not apply, each Defendant shall be estopped in the above-captioned action in which it is named as a Defendant from challenging the validity of such claim, to the extent such claim is asserted in such action, as being (a) anticipated under 35 U.S.C. § 102 on the basis of any prior art reference specifically asserted by S&N, Wright Medical, or Zimmer to anticipate such claim and specifically used by the PTAB in a finding of anticipation as to such claim, or (b) obvious under 35 U.S.C. § 103 on the basis of (*i*) any prior art reference specifically asserted by S&N, Wright Medical, or Zimmer to alone render such claim obvious and specifically used by the PTAB in a finding of obviousness as to such claim in view of such reference alone, or (*ii*) a combination of two or more prior art references specifically asserted by S&N, Wright Medical, or Zimmer to render such claim obvious in combination and specifically used by the PTAB in a finding of obviousness as to such claim in view of the combination of such references.[4]

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such, paragraph (2) excludes, for example, the S&N IPR Claims of U.S. Patent Nos. 6,702,821 and 8,133,229.

3 Statutory estoppel may apply to Zimmer with respect to the Zimmer IPRs, but no statutory estoppel applies to Zimmer with respect to the Wright Medical IPR or any of the S&N IPRs. Similarly, statutory estoppel may apply to Wright Medical with respect to the Wright Medical IPR, but no statutory estoppel applies to Wright Medical with respect to any of the Zimmer IPRs or S&N IPRs.

4 For the avoidance of doubt, Zimmer may be estopped in C.A. No. 12-1107 pursuant to this paragraph only with respect to the S&N IPR Claims of U.S. Patent Nos. 7,749,229 and 7,806,896, and the Wright Medical IPR Claims of U.S. Patent No. 7,806,896; ConforMIS may be estopped in C.A. No. 12-1109 pursuant to this paragraph only with respect to the S&N IPR Claims of U.S. Patent No. 7,806,896, the Zimmer IPR Claims of U.S. Patent No. 7,806,896, and the Wright Medical IPR Claims of U.S. Patent No. 7,806,896; and Wright Medical may be estopped in C.A. No. 12-1110 pursuant to this paragraph only with respect to the S&N IPR Claims of U.S. Patent No. 7,806,896; and the Zimmer IPR Claims of U.S. Patent No. 7,806,896.

(3) Regardless of the outcome of any Knee Patent IPR, the Defendants shall not be estopped from asserting that any claim of any IPR Patent, including, but not limited to, the S&N IPR Claims, Wright Medical IPR Claims, and Zimmer IPR Claims, is invalid based on any ground not specifically identified in paragraph (2), above. Examples of situations in which no estoppel shall attach hereunder include, but are not limited to, the following:

(a) Obviousness pursuant to 35 U.S.C. § 103 in light of a single prior art reference or in light of a combination of two or more prior art references where the single prior art reference or at least one of the prior art references in a combination of two or more prior art references was not specifically asserted in a Knee Patent IPR by S&N, Wright Medical, or Zimmer under 35 U.S.C. § 103.

(b) Invalidity for failure to satisfy one or more requirements of 35 U.S.C. § 112.

(c) Any ground that reasonably could have been raised, but was not actually raised, during the Knee Patent IPRs (*contra* 35 U.S.C. § 315(e)(2)'s limitations as to petitioners).

(4) Regardless of the outcome of any Knee Patent IPR, the estoppel provisions of paragraph (2), above, shall be limited only to the above-captioned actions and shall not apply to any other litigation or proceeding.

(5) Any Defendant shall be permitted to contest the validity of any S&N IPR Claim on any ground, should the S&N IPR Proceeding involving such S&N IPR Claim terminate prior to a final, non-appealable judgment on the merits thereof, or should S&N settle or otherwise withdraw from such S&N IPR Proceeding prior to a final, non-appealable judgment on the merits thereof.[5]

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5 *See supra* note 2 and accompanying text.

(6) Any Defendant shall be permitted to contest the validity of any Zimmer IPR Claim on any ground, should the Zimmer IPR Proceeding involving such Zimmer IPR Claim terminate prior to a final, non-appealable judgment on the merits thereof, or should Zimmer settle or otherwise withdraw from such Zimmer IPR Proceeding prior to a final, non-appealable judgment on the merits thereof.[6]

(7) Any Defendant shall be permitted to contest the validity of any Wright Medical IPR Claim on any ground, should the Wright Medical IPR Proceeding involving such Wright Medical IPR Claim terminate prior to a final, non-appealable judgment on the merits thereof, or should Wright Medical settle or otherwise withdraw from such Wright Medical IPR Proceeding prior to a final, non-appealable judgment on the merits thereof.[7]

(8) Should any party to one of the above-captioned actions file an additional IPR petition as to any patent asserted by BSI in one or more of the above-captioned actions, no party to one of the above-captioned actions shall be precluded from moving to extend or terminate the stay, in its respective action, pending conclusion of such additional IPR proceeding, and all appeals therefrom.

IT IS SO ORDERED this ____ day of ___________, 2014.

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Chief Judge

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6 *See supra* note 2 and accompanying text.

7 *See supra* note 2 and accompanying text.

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